

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

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In re:

PROMESA
Title III

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

No. 17 BK 3283-LTS

THE COMMONWEALTH OF PUERTO RICO,
et al.,

(Jointly Administered)

Debtors.¹

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NOTICE OF CORRESPONDENCE RECEIVED BY THE COURT

The Court has received and reviewed the attached correspondence, described below, from interested persons in the above-captioned cases. Although the Court cannot respond individually to all of those who have expressed their thoughts or concerns, the Court is deeply mindful of the impact of the fiscal crisis on lives, institutions, and expectations, and of the importance of the issues that are raised in these unprecedented cases.

1. Letter dated August 8th, 2017, from Juan Carlos Vega Cidraz.
2. Letter dated September 1st, 2017, from Paul Cherry.

¹ The Debtors in these Title III Cases, along with each Debtor's respective Title III case number and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

3. Letter dated September 11th 2017, from William Hart.
4. Letter dated September 27th, 2017, from Donald Davret.
5. Letter dated September 29th, 2017, from Ellen Ziegler.
6. Letter dated September 30th, 2017, from Chris Odasso.
7. E-mail dated October 6th, 2017, from David Weinstein.

Dated: October 12, 2017

August 8, 2017

Mr. José Carrión III
President
Fiscal Supervision Board for Puerto Rico

Mrs. Natalie Jaresko,
Executive Director
Fiscal Supervision Board for Puerto Rico



C:

Hon. Ricardo Roselló, Governor of Puerto Rico
Hon. Donald Trump, President of the United States
Hon. Paul Ryan, President, United States Congress
Hon. Taylor Swain, US Federal Judge for Puerto Rico
Hon. Thomas Rivera Shatz, President, Senate of Puerto Rico
Ms. Alicia Lamboy, President, Chamber of Commerce of Puerto Rico
Associated Press

OPEN LETTER TO THE PRESIDENT AND EXECUTIVE DIRECTOR OF THE PUERTO RICO FISCAL SUPERVISION BOARD TO DENOUNCE AND REJECT FISCAL MEASURES FOR THE REDUCTION OF LABOR DAY AND PENSIONS OF PUBLIC EMPLOYEES IN PUERTO RICO

The undersigned is a Puerto Rican, licensed professional planner with a master's degree in Economic Planning and past Director of the Planning Office of the Municipality of Vega Baja, past director in the Planning Board and past Director of the Office of Planning of the Puerto Rico Tourism Company.

As a current public employee and as a party affected by the decisions of the Fiscal Supervision Board for Puerto Rico (the Board), I have been obliged to write both to you, as President and Executive Director of the Board, for the first time, to reject and denouncing what I consider is an outrage, injustice and lack of sensitivity to the Puerto Rican people, given the decision of the Board that you lead, to reduce the working day and the payment of pensioners of public employees.

Since you and the Board members have lived outside of Puerto Rico, ignoring the daily economic reality of the Puerto Rican people, I remind you that during the past 10 years all government administrations have systematically reduced the economic benefits of public employees, namely: the reduction of \$ 1,000 to \$ 600 of the Christmas bonus, elimination of summer bonuses, elimination of overpayment sick leave, increased payment to retirement plan, increase of years old to retire, freeze

of the retirement money balance of employees up to 65, elimination of the traditional pension system by a system of annuities, a 50% reduction of vacation license, the elimination of holidays, the freezing of workplaces , the freezing of salary increases and collective agreements, the elimination of marginal benefits (childcare, etc.) a soon reduction of the employer's contribution to the medical plan, among other cuts. In the case of thousands of families like mine, where both spouses are public employees, the cut is more serious, and forces us to seek a second job, also hurting the time we spend to our 6 year old son. To these systematic cuts, adds the news published in the press, where the Pension Adviser of the Board assured that all the money that public employees have accumulated in Retirement System for years of public service now "does not exist." In my case, I have lost more than \$ 60,000. In the case of retirees, who mostly receive a poor pension, they have also received cuts in recent years, including reducing money for drug purchases. The cut in pensions would be more severe for retired teachers, as they never quoted for Social Security, leading them to a higher poverty rate. When we add up all those cuts, thousands of dollars less are cut annually for every public employee. All these cuts show that the public employee, who contributes the most in income contributions, not only has a very low salary, but has already paid and sacrificed enough in this economic crisis during the last decade.

For your knowledge, the profile of the public employee and the retiree is very dignified: We are people with high academic preparation, many with masters and doctorate degrees, however, they are people, who in their great majority, are very badly paid, and because the low wages, many fall under the category of low class and many live under the level of poverty, according to the socioeconomic scales of the United States. I wonder if the Board took into consideration the level of poverty in its analysis? However, the 158,000 public employees totalize more than 400,000 people (1 employee x 3 family members) who contribute significantly to government contributions (income contribution, property tax and sales tax) and sustain tremendously economic activity and tourism, which is glimpsed (internal tourism) as one of the future economic pillars of the country.

Economic principles recommend that in an economic crisis, the individuals (or corporations) who gain more, should be sacrifice more, than the vulnerable people. But in the end, always, the public employees, who are more vulnerable, and have our "portrayed" income, paid for the crisis. I denounce and claim to cease and desist of continuing abuse and demonize the public employees with more "hits" and pocket cuts!. Complex problems require complex solutions, not easy and simplistic solutions as continuing to "attack" and impoverishing public employees. If we also add the Board's decision to cut pensions to 75% of the 168,000 public pensioners, the total number of people (of family groups) affected would be around to the million people (1,000,000). Puerto Rico only has 3.5 million people, because the recent migration of 400,000 in the past decade (because de crisis), and remember that almost all the families of Puerto Rico have at least one relative who is public employee. Therefore, the decision of the Board, will cause that almost

all the families of the Island are affected directly or indirectly affected. These cuts would cause a real social and financial catastrophe. Imagine aging retirees having to look for a job again to pay for their medicines after serve the country a lifetime. Imagine the majority of public employees (158,000) in Puerto Rico having to seek a second job to compensate for the loss of wages, a fact never seen before in the history of public service, which will also increase the level of unemployment, because the number of people looking for jobs, that are scarce. Are there 158,000 new temporary jobs available to public employees? The Board considered the level of unemployment of the Island in its decision?. The Junta considered a possible exodus of Puerto Ricans to the United States, which would cause a greater population decrease of the Island, further aggravating the economy ?. Therefore, is this fiscal measure fair and accurate for the poorest jurisdiction within the United States?

The reduction of the labor day and pensions will have a multiplier effect of contracting consumption and decreasing commercial activity, a decrease in domestic tourism, an increase in the execution of properties, and therefore a crisis in the mortgage industry of the banking system. It will also cause a reduction in the tax contributions of the Government. In short, it will cause a deterioration of Puerto Rico's economy and the impoverishment of Puerto Rican families and their quality of life. The Board's decision will lead to other social problems, such as increased depression and mental problems, increased suicide and criminality, problems in initiating or continuing academic studies (school or university), among other problems, which generate a multiplier and regressive effect of economic activity. This decision of the Board would also entail a dramatic decrease in the government's tax revenues due to the decrease in consumption and economic activity, which would affect its liquidity and the commitment to comply with the goals established in the Fiscal Plan, which the Board approved therefore. The government would also could have less money to pay the bondholders, which is one of the core issues of PROMESA in the restructuring of debt. The implementation of the reduction of working hours and pensions, far from solving a problem, will create an even greater economic problem. This decision of the Board is contradictory to his recent decision to promote in the US Congress strategies of economic development for the Island, but also reflects a great ignorance of the operation and the delicate state of our economy. The associations of economists and businessmen of Puerto Rico have been expressed in the same way. Important international economists, including some Nobel Prize in economics, have also expressed the rejection of the drastic measures of cuts of the Fiscal Plan, since that method has not worked in countries such like Greece, Spain and other cities of the United States.

Therefore, I agree with the position of the Governor of Puerto Rico that, from the economic and social point of view, it is a serious mistake to eliminate 10 percent of the salary for employees and pensioners, since it will have a devastating effect of deepening the level of poverty in hundreds of thousands of families and a greater

economic contraction. Remember that Puerto Rico is the most poor jurisdiction of the United States. This is a matter of common sense, social justice, equity and economic development. I do not want to think that the Board is receiving undue pressure from groups of bondholders through Congressmens criticizing the Board to be more "strong" with the Government of Puerto Rico, which results in "getting" more money from the already battered public employees to pay the bondholders and vulture funds. Are bondholders at risk of falling into the poverty level as public employees and retirees? This is not only immoral, it is counterproductive for all parties, as explained above.

We understand that there are other alternative measures of cuts to bring more money to the treasury, without having to reduce working hours or pensions:

- There is a large universe of citizens and companies that do not comply (evasion) with their real tax obligations to the Treasury, which can add up billions of dollars annually to the government;
- There are many multinational companies that annually repatriate billions of dollars in sales outside of Puerto Rico, which the government of Puerto Rico can retain more;
- There are hundreds of companies that enjoy tax exemption privileges, which can be cut adding hundreds of millions of dollars;
- There are millions of dollars in government contracts that can still be cut further.
- Elimination of 50% of the Christmas bonus; not all, because the importance of the season commercial activity;
- To reduce government size:
 - Implement a voluntary separation plan, as proposed by the Government;
 - Reduction of temporary employees, as proposed by the Government
 - Implementation of an employee evaluation plan, to separate incompetent employees from the job;
 - Continued with the freezing jobs positions;
 - Privatization of the public transport system (AMA), the Public Broadcaster (WIPR);
 - Privatization of the Electric Energy Authority (AEE);
- Application of all measures of fiscal adjustment to the legislative and judicial branches;
- Reduction of the budget of the Fiscal Control Board, their salaries and contracts.

I am completely sure that the implementation of those measures, by far exceeds the portion of reduction of expenses that the Board "claims" that the Government has yet to meet.

We cannot talk about reducing the working day to public employees and pensioners, when the same government pays with the battered public funds to the Executive Director of the Board a salary of more than half a million dollars annually, which is a higher amount than the salary of the President of the US and more than the presidents of the US Congress, the UN, the World Bank and from many top executives on Wall Street. It is not conceivable that a person earns this large amount, and that in two years he will become a millionaire at the expense of a government in crisis. That is a mockery for the Country!. Paying that outrageous salary to the Director of the Board with public funds, from a government in crisis, to solve the worst debt of the poorest territory in the United States is immoral, when you ask to cut the salary to public employees and pensioners. The example starts with the house!. It is immoral to justify this salary as the "only" available and qualified human being in the world!. There are so many professionals who can do the same or better job with a more reasonable salary!. I myself can recommend dozens of ethical and excellent professionals for that position. The multi-million dollar budget and the Board's private contracts are also not justified in the face of the crisis, when in Puerto Rico we have many competent professionals and more economical, even free in universities and in government to handle economic data and economics studies.

It is contradictory that the Office of the Board has the effect of increasing government spending and gigantism, which the Board itself wants to avoid. The Board's contracts of up to \$ 1,000 an hour have received criticism from all sectors of Puerto Rico, especially the Comptroller of the Government of Puerto Rico. To give you an idea of the unreasonableness of the multi-million dollar budget of the Board, this is comparable to the budget of the Department of Economic Development of the Government of Puerto Rico, which is in charge of promoting the country's economic development. It does not make sense that the Board spends a similar amount, without helping to promote the economic development of the Island, eroding a budget that has no liquidity. Another immoral and anti-ethical issue with the appearance of a conflict of interest is the participation of members of the Board, who were part of bond issues that contributed to the public debt, and worked for banks that are being investigated in Federal forums, for apparently illegal transactions. The immorality of the Board also manifests itself when the same President of the Board, recognizes in the media that the existence of the Board is "unworthy" for Puerto Rico (because of the colonial condition of the Island). Therefore, Puerto Ricans are faced with a great problem of abuse because the colonial political condition, with an imposed Board taking decisions detrimental to the economy of the Island.

I wonder why, if the President, of the Board (which is a Puerto Rican) recognizes that the Board is "unworthy", even so, decided to accept it the position as President?. A true Puerto Rican who respects himself and his country would not accept being part of something "unworthy" or immoral for his country. It is immoral that an

imposed Board by US makes economic decisions against a country who is a US colony, which is the poorest territory in the US and which is in the worst economic crisis within the US. Are those democratic values and freedom of the United States ?. The Declaration of Independence of the United States guarantees the following: "Life, freedom and the pursuit of happiness ..." The decisions of the Board you preside remove the people of Puerto Rico from that democratic aspiration.

Transparency, morality and justice are important elements in all management, especially if it is the destiny of a whole Country. Either respect people or people will make you respect them!.

Foremost this colonial condition and injustice, I still believe that the members of the Board, although imposed, have a historic opportunity to help get Puerto Rico out of the crisis, if it is proposed, but its decisions must be fair, they must be taken without undue pressure and always thinking about the economic development of Puerto Rico and not impoverishing it. I also believe that the Board needs a good economist to advise them on the economic reality of the Island, to rectify the vision of economic development, beyond the simple accounting thinking of reducing expenses. The Government of Puerto Rico has done a lot at the request of the Board, but the Board cannot fall into the "sin" of being or "looking" dictatorial, unjust or inhuman. It is not in the interest of the Board to make a power struggle, when the Government of Puerto Rico has always had a spirit of collaboration. The PR Secretary of the Governor, who is characterized as a very moderate man, expressed to the press this week very clearly: 'The Administration is in the best position to discuss measures that do not hurt our economy, but the attitude shown by The Board and its Director demonstrates nepotism, it is a spirit of demonstrating that they rule here, and that is chaotic, because it lacks our democratic system, exacerbates our colonial system ...".

Given the decision of the Board about public employees, the Governor of Puerto Rico has written to the President of the United States and to the President of Congress on legal matters for which the Board's decision is illegal and unfair. I firmly believe that the decision of the Governor of Puerto Rico not to implement the reduction of working hours for public employees and pensioners is the right thing, for the reasons mentioned above.

I ask my God to enlighten this Board and the Government of Puerto Rico to find wise and solutions for my beautiful Island of Charm. May God bless you.

Sincerely:



Mr. Juan Carlos Vega Cidraz, PPL, MP.



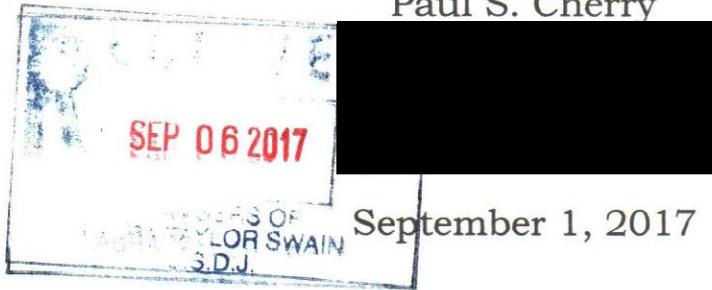
PD:

If the Law of men is not sufficient, never forget that the Law of God is above all things:

Proverbs 31: 9- Open your mouth, judge righteously, and defend the rights of the afflicted and the needy. Matthew 25:40- The King will answer and say to them, "Truly I say to you, as soon as you did it to one of these my brothers, {Even} you did it to me. Romans 12: 15-18- Rejoice with those who rejoice and weep with those who mourn. Have the same feeling with one another; Do not be proud in your thinking, but condescend to the humble. Do not be wise in your own opinion. Never pay anyone evil for evil. Respect the good in front of all men. Psalm 82: 3-Defended the weak and the orphan; Proverbs 22:16- He who oppresses the poor to magnify himself, or gives to the rich, will only come to poverty. Proverbs 14:31- He that oppressed the poor reproached his Maker, but he that oppressed the poor.

Proverbs 29: 7- The righteous cares for the cause of the poor, but the wicked does not understand. Proverbs 28:27- He who gives to the poor will not need, but he who closes his Eyes will have many curses.

Paul S. Cherry



September 1, 2017

The Hon. Laura T. Swain
U. S. District Court for the
Southern District of New York
500 Pearl Street
New York, NY 10007-1312

Re: Puerto Rico Sales Tax Bonds
[REDACTED]

Dear Judge Swain:

I know that the Chief Justice has appointed you to oversee the entire financial situation involving the Commonwealth of Puerto Rico, which obviously comprehends the payment of interest on bonds issued by that Commonwealth. I also know that you have ordered that all interest payments be suspended pending further order of the court.

What you have done is to put all classes of bond owners in the same pot and said that everyone must wait for something to happen. You have thus compromised the financial interests of those of us who guessed right and bought sales tax bonds as compared to those bondholders who bought other issues (particularly general revenue bonds) and guessed wrong. I fear that you would want to pay those general revenue bondholders out of the same pot that the sales tax bondholders would be paid from, thus melding all the classes of bondholders into one class and unfairly compromising the rights of those who bought sales tax bonds. I strongly oppose any payment to those whose money is not in the Puerto Rican Treasury or at the clearing house ready to be distributed, I feel that such action is contrary to the principles of the Bankruptcy Code.

One problem resulting from the freezing of all bond interest payments is that the money to pay the sales tax bondholders is in the Puerto Rican Treasury and might even be out to the clearing house for payment, whereas the money to pay the general revenue bondholders is not anywhere. You are making those of us who bought the sales tax bonds suffer while you figure out just what to do regarding the bondholders who have no financial base, *viz.*, the general revenue bondholders. Keeping all the revenue in one big pot only tempts the distribution to those in a class who do not deserve payment.

Puerto Rico just raised the sales tax to cover revenue shortfall, and this money is rightfully payable to the sales tax bondholders first, *i.e.*, on a priority basis, before any other class of bondholders because these funds were channeled through the sales tax revenue portal.

So I urge you to allow payment to the sales tax bondholders when the money to pay them has been received by the clearing house. Keeping the bondholders and their respective rights segregated and prioritized pursuant to the principles of the Bankruptcy Code and not to compromise those of us who bought the "right" bonds should be a polestar to the successful administration of this matter.

Thank you for your consideration of my request.

Sincerely,


Paul S. Cherry

September 11, 2017

Hon. Laura Taylor Swain
United States District Judge
United States Courthouse
500 Pearl St.
New York, NY 10007-1312

Dear Judge Swain,

I am contacting you as an advisor with retail clients owning Puerto Rico bonds. I am sure you have your hands full dealing with all sides of this complex issue. I've researched your biography. Your credentials are impressive and I'm sure that's why you've been tasked with this endeavor.

It's been popular in the press to characterize holders of Puerto Rico municipal bonds as mostly opportunistic hedge funds or state specific mutual funds that should have done better due diligence. This is mostly true but there is a small contingent of individual investors holding lots of \$50,000 and less that are stuck in the middle of this contest between the battling institutions. Investors realize nothing is guaranteed in the investment world and put faith in their advisor. Advisors look to rating services like Moody's and Standard & Poors as well as the issuing authority, in this case the political leadership of Puerto Rico. As a rule I keep client allocations to individual securities positions to 5% or less. This eliminates an unforeseen event having a significant negative impact on their portfolio.

I chose sales tax revenue bonds (COFINA) for my clients. In doing my research I saw that there was a constitutionally mandated first priority lien on sales tax revenue. The enabling legislation (Law 91 of 2006) requires that a Pledged Sales Tax Amount (PSTA) be deposited into a dedicated sales tax fund. Knowing that gave me the security of recommending them for purchase. What I find particularly disturbing is that large institutional investors who recently bought General Obligation bonds moved to encumber the COFINA's which had Constitutional protection. My feeling is that that should have been litigated when the decision was made to subordinate the General Obligation bonds to the Sales Tax Revenue bonds in 2006. The fact that there was no issue for a decade should weigh in the decision as to the priority of claims.

I neither read nor heard of any industry or trade group advocating for individual holders. Collectively there is not enough money to be made representing us I guess. Please let this letter serve as representation for individual investors whose voices have not been heard and whose hard earned money is now part of a larger power struggle between deep pocketed intuitional players. Retail investors holding small lots, i.e. >\$50,000 should be given first priority in any settlement in my opinion. Doing so would be the first step in eliminating the favored status of institutions over individuals. It certainly would set an earth shaking Wall Street precedent. Putting investors of all class size on equal footing! Imagine that.

Good luck with your effort.

Best regards,

William Hart

 FLOMARTIN SECURITIES, INC.

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Daniel Patrick Moynihan
United States Courthouse
500 Pearl St.
New York, NY 10007-1312
Attn: The Honorable Laura Taylor Swain

September 27, 2017

Dear Justice Swain,

Over two years ago, when the Puerto Rico debt crisis finally came to a boiling point, I wrote a letter to Senator Charles Schumer, which I copied to several interested parties: Secretary Lew, Rep. Nydia Velazquez, Rep. Pierluisi, and others. The letter follows this page.

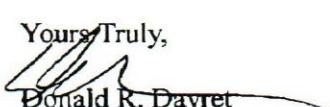
When I first wrote the letter, suggesting that current Puerto Rican debt enjoy the benefit of a U.S. loan guarantee, the Island's finances were somewhat salvageable. Just as states and municipalities play a game of chicken over pensions that will never be funded, or benefits that can never be guaranteed, the Island situation is now at the point where it literally AND figuratively devastated. And this is the price innocent people will pay for the incompetence and greed of many parties, who are squaring off each other. For years, PROMESA has done nothing but wage a battle over nickle and diming creditors, when the simple thing to do was to make the bondholders whole with a prepackaged agreement that would halve the Commonwealth's debt service at a stroke. This would have set the Island on a course of rehabilitation, and remove the risk of disruption to the municipal debt markets.

Needless to say, that wouldn't have solved all of the Island's problems. Like all economic issues, these are years in the making and will take years to resolve. But at least it would have removed a massive burden for the Island, and made a fair fight out of its attempt to recover.

But because some people like doing things the hard way, the consultants, unions, government officials and lawyers will be discussing their strategies at the Caribe Hilton while the Island suffers. How long is this test of manhood, conducted at the expense of ordinary citizens, supposed to go on?

As I said, I sent this letter out to anyone who would listen. I hope you will listen. The fiscal stress was enough for any entity to take. **This is no time to put things on the "back burner."** It's time to rectify this once and for all, provide immediate relief to the Island's travails, before the Island becomes a complete wasteland. Action, and action now.

Yours Truly,


Donald R. Davret



FLOMARTIN SECURITIES, INC.

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Senator Charles Schumer
322 Hart Senate Office Building
Washington, DC 20510

July 3, 2015

Dear Senator,

as a Fixed Income professional, I am writing to you today regarding your legislative proposal to allow the Commonwealth of Puerto Rico to declare Chapter 9, which it is currently forbidden to do. I would like to suggest another route, that to me, is far less disruptive, less costly, and will perhaps better serve all parties.

A lot of the Island's current outstanding issuance carries very high coupon rates compared to today's market rates. Puerto Rico could save a substantial sum by using a tool the United States government uses for foreign nations: a loan guarantee. By using this back up, old debt, with coupons as high as 6%, which cannot be rolled over due to the Commonwealth's lack of liquidity, can be rolled into new paper with perhaps half the cost of debt service. We already do this for Turkey and Israel. I see no reason why we cannot accommodate the Commonwealth in the same manner. This is far less disruptive to markets, and if a restructuring of \$72 billion of debt can be done without going into the complexity, and what will surely be a massive cost, of a Chapter 9 proceeding, this should result in better outcomes for all. **In theory, this is NIFA, but for Puerto Rico.**

In addition, not all Puerto Rico credits share the same credit quality deficits. As an example, the Puerto Rico Power Authority, or PREPA, needs only a few minor tweaks to put it back on a more steady footing. Currently, the Authority is mandated to pass on any savings in oil costs to the consumer. A minor compromise in benefit sharing of lower oil prices, in addition to a loan guarantee, may be all that's needed to repair this segment of the Commonwealth's debt. Other credits, like the Highway and Transportation Authority (PRHTA) and Puerto Rico University may require more dramatic solutions, but I see no reason for putting the entire Commonwealth's debt under a Chapter 9 umbrella.

It is important for observers, who may not be familiar with the Island's debt structure, to note that all of these individual agencies face specific issues to their own credit impairments, and a blanket bankruptcy is more than likely uncalled for, and not a positive development for the Island, or the national municipal market. You need to tread very carefully here. Best of all, no one can call this a "bailout."

I hope you will give my suggestion your fullest consideration. I see from the trade papers the Chapter 9 idea is gaining political momentum, but please understand this could result in an outcome that benefits no one.

Yours Truly,

Donald R. Davret



Hon. Laura Taylor Swain
United Southern District Court
District of New York
500 Pearl Street
New York, NY 10007



Room 1640

The 29th of September, 2017

Dear Judge Swain:

As I watch my television set depict the devastation of the Caribbean Islands by Hurricane Maria, I am reminded of the inner storms of the small investors who placed their hopes, trust and financial futures in Puerto Rican investments.

I am one of those investors, a senior citizen of 78, living on a fixed income, the Puerto Rico bond interest, and hoping to reach your ear and heart by putting a human face on the investors represented by COFINA. We struggle against a commonwealth attempting to bend the legal system.

The Power of One is an important theme in my life. The interest from my Puerto Rican investments, which I received regularly, provided safety and an old age I could slip into with ease and slip out of without debt or hardship to my children and grandchildren. This has dramatically changed.

I live my daily life on a dwindling checking account and not enough social security to sustain me. Soon, I will face another surgery as I recover from surgery. I'm sure that other investors' lives are fraught with challenges – our interest, cash value and dividends cut off from the only real, steady income we had: Puerto Rico investment interest.

I find myself staring into the possible face of poverty, where citizens like me, who have been faithful workers, patriots and law-abiding residents, count the days until a decision is made, praying for a positive one, wondering when quality of life will return to cushion me and relieve my fears.

I think of you, Your Honor, and the enormous decision you must make, in the face of what makes up your own life, and the changes in the world. I am grateful to you for reading my letter.

My prayers are with Puerto Rico residents in their rebuilding of Puerto Rico where I visited with my then young son many years ago. I found the people of San Juan open and kind, anxious to help when my son turned ill. So I invested in Puerto Rico with gratitude and hope, inspired by the island's beauty and promise.

2.

Hurricane Maria was a storm on many fronts and we small investors of COFINA are collateral damage. I am not only a small investor. I am a survivor of the 100-year storm, Hurricane Floyd that swept floodwater and sewage through my home in 1999.

The watermarks are still on my walls, but the inner strength and determination I gained has erased the waves of fear washing through me with every weathercast. I found out that one-person matters, and can touch others in a ripple effect. I challenged my town for a decade to build a drainage canal to help, not only me, but also my neighbors.

I thank FEMA for answering my call for help. I'm grateful to the town of Clarkstown for building the canal where uprooted deer and small animals do not have to be without water.

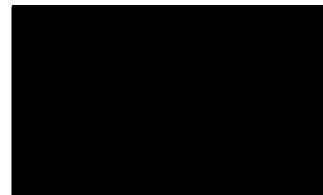
I mention all the above because I believe that Puerto Ricans have the hearts to rebuild a better, safer homeland where they can look back with pride at their resilience, acknowledging the people, all over the United States who cared to help them – acknowledging a government that sent aid.

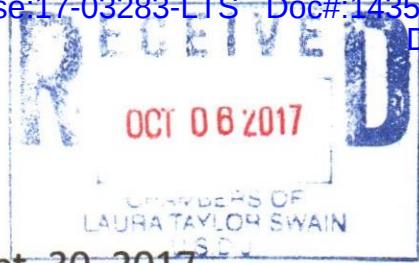
I cannot re-direct hurricanes, send them back across the seas to cool polar bears struggling to regain their footing across the melting ice of Global Warming. But I sure would love to.

I can reach out, expose my human face, and tell my story. Thank you for taking the time to read it.

Sincerely,


Ellen Ziegler





Sept. 30, 2017

To the Honorable Judge Swain:

Thank you in advance for reading my letter.

You are charged with a complex problem- fix all things Puerto Rican. In making your decisions, please demonstrate that people can trust in the law; politicians are not omnipotent nor above the law. Please rule that constitutionally protected general obligation debt issued in accordance with the constitutionally mandated percentage receives the highest priority in recovery.

There are relatively few of us who own such debt compared to the number of voters. Alarmingly, politicians have chosen to sacrifice us for votes when it comes to Puerto Rico.

I hold two Puerto Rico general obligation bonds, with a principle value of \$150,000.00. I worked very hard for that money, and it is a substantial part of my hope to retire in 7 years, after what will be 43 years of full-time work.

I chose general obligation bonds back in 2011, because they were backed by the highest law of the land. I knew there was a reasonable debt limit imposed by the constitution and I read the promise that no other expense would come before repayment. I took comfort that bankruptcy was not a possibility. Why would I ever need insurance? Finally, I did not buy revenue bonds which all paid higher percentages of interest, due to their risk.

I give you that background because I am not a “vulture”, as I am often described. I am the lender that many voices now say to forget.

The human tragedy in Puerto Rico caused by hurricanes is unimaginable. The people need every bit of help we can provide. Let's do **everything** to save lives and property.

But too, let's not forget a small group of lawfully minded, fellow Americans whose only fault is being part of a group that's too small to affect elections. Our loss of property, through no fault of our own, is real too.

I could have sold these bonds early on, but I trusted the rule of law. Then, a couple of years later, I was devastated when politicians did not underwrite repayment of constitutionally protected debt. Arbitrarily, they decided not fund another bailout, because voters might throw them out of office. Instead, they chose to sacrifice the life's work of a small number of citizens that trusted in the law. They ignored the constitution and changed the law- the very promises I relied upon and built my future on.

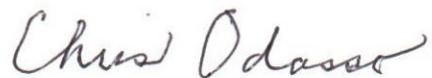
I have since learned of the debt issued not in accordance with the constitution's permission. Later G.O. or Cofina debt is just as unjust as every politician and financial institution that implemented it. Surely this debt cannot recover before lawful debt.

I am really afraid. I'm afraid because politicians have been running things up to this point, and I am part of a group that does not represent

enough votes. The only person left to stand up for me and the law, is you. Only you are left.

Please rule that constitutionally protected general obligation debt issued in accordance with the constitutionally mandated percentage receive the highest priority in recovery. This decision will not make me or the other holders of such debt whole. But at least, your decision will affirm the existence of law, and underscore the critically necessary limits of political power.

Sincerely yours,



Chris Odasso



From: David Weinstein [REDACTED]

To: phoenixpkg [REDACTED]

Subject: Simple Solution to Puerto Rico Debt (bonds) Problem

Date: Fri, Oct 6, 2017 6:59 am

PLEASE DELIVER TO JUDGE SWAIN AND HER STAFF.

To Interested Parties of Puerto Rico Bonds,

It is possible for Puerto Rico to substantially reduce its outstanding debt to bondholders while at the same time making bondholders completely whole on their investment.

Since a significant portion of outstanding Puerto bonds were purchased at steep discounts from par, if bondholders were paid their cost basis (i.e what they actually paid for the bonds - not face value), then Puerto Rico would substantially reduce its debt and the investors would not suffer any losses.

The US government could loan Puerto Rico the funds to extinguish all outstanding bondholder debt at cost basis. This loan could be interest only for a period of 10 years and carry a very low interest rate of 1%. This would relieve Puerto Rico from having to pay the high coupon rates its bonds currently carry.

Of course, to sweeten the deal for Puerto Rico, there could be haircuts on bonds at the bottom of the security hierarchy.

Thank you.

David Weinstein
[REDACTED]

